The Future of Live Music

9 essential trends from industry tastemakers
For the music industry, the last five years have proven that live shows are paramount. Worldwide revenue from live music ticket sales hit $20.5 billion in 2014, and that number is expected to grow to $23.7 billion by 2019. There's no doubt about it — the volume's only turning up.

But skyrocketing ticket sales have done more than pad industry wallets.

“A lot has changed in the music industry since the early 2010’s,” said Dane Kunkel, entrepreneur and CEO of BeachGlow, a music festival in New Jersey. “For some time now, live music performance has been an important part of the business. As such, many markets are saturated with live performance options — creating steeper competition.”

For producers and promoters of live music, this competition has made the future less certain — and more exciting — than ever. While it’s difficult to predict what’s next, that didn’t stop us from asking our expert clients (and several industry friends) to peer into the music industry’s future. From festival founders to promoters who manage more than 1,000 concerts each year, here’s their take on what’s in store.
Streaming will drive artists to rethink revenue sources

In 2015 alone, on-demand music streaming in the U.S. rose 93%. So while it’s no surprise that streaming was a hot topic in our interviews, we were intrigued by what our experts said about this trend.

Live shows are increasingly a primary income source for artists. While consumer spending on CDs and digital downloads is down nearly 50% over the past 4 years, live music spending is up 66%. But artists have been reacting to that shift in drastically different ways. In the past year alone, big names like Taylor Swift and Adele have removed their albums from some streaming sites to drive more album sales. On the other hand, artists like the Foo Fighters and Puff Daddy have embraced the change, even releasing EPs for free online.

“More bands are questioning whether or not streaming is the best way to get music to people,” said Ben Kramer, Senior Field Operations Manager at Eventbrite and previous concert promoter. “It’s such an interesting push and pull between access and quality, and monetizing that. I think we’re going to see a combination of bigger artists getting out, and smaller artists getting more involved.”

As smaller artists seek out alternative revenue sources, streaming will become a means towards an end: driving people to buy tickets to their shows.

In this scenario, the music itself becomes a promotion for live shows. It’s a smart move, given that fans who buy concert tickets are worth much more to artists. According to Eventbrite’s 2015 Music Discovery Report, they spend 4x more on CDs and downloads, and 10x more on merchandise as non-ticket buyers. Furthermore, 42% of fans discover new music via streaming, and 51% buy tickets to see those artists live.

“The trend of emerging artists using audio platforms to release singles and EPs as opposed to full albums is smart and effective,” Dave Graham of BottleRock said. “It allows artists to truly be creative with their material... It also allows artists to market more often to their customer base and to stay fresh in the eyes of their customers.”
As streaming connects artists directly with their fans, artists will embrace direct artist ticketing.

Artists today are spending more and more time on the road. To make touring really pay off, artists will begin to collaborate with brands in new ways and use their personal relationships with fans to sell tickets directly.

Ben Kramer predicts the rise of “artist-direct” ticketing — tickets sold directly by artists. “I think we’re heading towards fans wanting tickets straight from the band, no matter where the venue is,” Kramer said. “Artists will want to directly control merchandise sales, email blasts — becoming their own promoter in a sense.”

First, they’ll have to solve another problem: the skyrocketing secondary ticketing market. This market includes services allowing buyers to re-sell tickets, often for dramatically above face value.

“On a scarier side, [there’s] the secondary ticketing market,” Dawn Holliday, the co-owner of San Francisco venue Slim’s, said. “Adele is the most recent example of the outrage and rampant scalping situation... More has to be done to prevent and outlaw this injustice.”

The effect of streaming on live music sales

93% Increase in on-demand music streaming in 2015
Consumer spending over the last 4 years

50% 66%
Down 50% for CDs & digital downloads Up for live music

42% of fans discover music by streaming
42% of those buy tickets to their shows

Fans that buy concert tickets spend 20 times more on music
Virtual reality will provide new opportunities for monetization

An entirely new market opened up this year: live streaming via virtual reality. Oculus Rift, a new virtual reality system owned by Facebook, instantly sold out during its pre-sale despite a $600 price tag. Leading research firm Gartner estimates that 25 million virtual and augmented reality headsets will be sold to consumers by 2018.  

So what does this mean for live music? Using “augmented reality to create an activation” could soon be the norm, according to Marc Weinstein of 90sFest. Virtual reality will allow fans to re-watch their favorite sets as if they were onstage, or immerse themselves in the crowd, escaping to an entirely different world for a few minutes.

For remote fans, streaming live shows could become a new national pastime. 

“Today’s audience wants all-access, a direct line into the lives and content of artists they like,” said Marco De La Vega of Mezzanine, a San Francisco venue. “Several artists have now built their careers using this as a format to monetize and engage... Exclusive branded content, interviews, secret shows, and showcases have become the norm.”

“We’ve seen the demand for festival content skyrocket,” UphoricTV founder Parag Bhandari told Eventbrite. “Festival attendance and revenues are meeting and surpassing some of the largest sporting events in the world. Being able to stream, cover, and bring these amazing experiences to festival fans around the world allows for newfound monetization for festivals, brands, and advertisers alike.”

The bottom line is that virtual reality will drive more attendance at live shows — not less.

“Coming together in real life will continue to prevail,” said Julia Hartz, Co-Founder and President of Eventbrite. “Now with virtual reality devices like Oculus Rift, virtually anyone (no pun intended) will have the opportunity to participate in a live experience from the comfort of their couch.

“But virtual experiences actually drive more interest in attending. After popularizing live festival streaming, Coachella tickets sold out in three days in 2011, and within a few hours in 2012. So we predict people’s appetites for coming together in real life will be stronger than ever.”

Live music will be more about your event’s experience than its lineup

You spend hours obsessing over the experience your festival or concert delivers — and it shows. In our interviews, a focus on the fan experience beyond just the performances was by far the most cited trend.

“The exciting part is seeing a higher demand for experience-driven events,” Dede Flemming of Lightning in a Bottle said. “People are less likely to commit to just a concert or a 100% music-driven event, but are seeking something that they can get more out of. Whether it’s the more conscious workshops or yoga elements at Lightning in a Bottle, the randomness that you’ll find in a Coachella campground (like snowball fights or arts and crafts), or the summer camp games and activities of a Dirtybird Campout, they’re wanting more experience.”

So it’s worth asking: what makes a great experience? When we pushed our partners to define the magic that distinguishes an ordinary fan experience from an unforgettable one, here’s what they had to say:

The inclusion of other forms of art or culture

“Art installations in music festivals. Producers/promoters are finding ways to bring other creative outlets into the festivals, other than just music. People live on your festival site for three, four, five days — it’s important to have cool things to immerse themselves in outside of the stages.” — Valerie Harris, MCP Presents

“Through social engagement trends, [we’ve seen] greater interest in posts about visual arts, class offerings, and the carefully curated experience vs. who is playing the festival.” — Keely Montgomery, What the Festival

New ways to interact at festivals

“What differentiates a basic event from an experience-based event? Getting down to what the customers want — genuine interaction — whether it be from staff, volunteers, interactive displays, activities, or friends.” — Dane Kunkel, BeachGlow

“People crave unique and minimalist experiences above huge macro-engagements.... Events like these are starting to attract more attention because they place a premium on interaction.” — Seth Fein, the Pygmalion Festival
“In 2016 we want to extend the entertainment beyond the stage, and get the music moving throughout the town.” — Tanya Brittain, the Looe Music Festival (UK)

**Creative activations with technology**

“As a festival that has a tech component, our biggest goal in 2016 is to work with emerging technologists and act as a platform for them to showcase what they are doing. Robots are going to become commonplace soon enough, and we’d love to be at the forefront of being a space for innovators to show their work.” — Seth Fein, the Pygmalion Festival

“Charging stations and an app lounge will continue to be hot in 2016.” — Debbi Grogan, Flagstaff Blues & Brews

“Before RFID it was much more challenging to market the experience until the fan was physically at the grounds. Now with RFID, the experience starts when the fan receives their wristband package. The packaging, the words, the goodies — all of these things get your fans super excited for the festival.” — Valerie Harris, MCP Presents

“We’re working on further developing our mobile application experience [into] a very personalized experience for fans.” — Donnie Estopinal, Disco Donnie Presents

“Festivals that are not established need to compete based on a differentiated customer experience... Music should only be part of the music festival experience, not all of it.”
— Dave Graham, BottleRock Music Festival
RFID will become common at festivals and expand to more shows

Fans will come to expect RFID (Radio Frequency Identification) at big music festivals, in the form of wearable wristbands. But beyond its “cool factor,” RFID has benefits that will be increasingly important this year.

RFID adoption will help keep entry lines moving quickly.

“Our big challenge was to get everyone through the box office, verified, and given a wristband so they could go into the festival,” Dede Flemming of Lightning in a Bottle said. “We had massive lines and multi-hour waits until we switched to RFID. Being able to ship people their wristbands without risk of fraud has taken what could have been a five hour wait and turned it into a 30-second speed bump.”

With widespread adoption, festivals will gain advanced insights from RFID technology.

“With RFID being used at most if not all major festivals in the US, we are really interested in maximizing the technology,” Tom Russell of Governors Ball said. “This includes doing cashless programs, monitoring ingress and egress movements with incredible detail, tying into attendee’s social networks, and more.”

The next big leap for RFID technology will be an expansion beyond music festivals.

“RFID is becoming accessible beyond major music festivals to other kinds of events like tech conferences and clubs,” Eventbrite’s Biasha Mitchell said. “For example, promoters could hand out VIP membership cards with built-in RFID chips, so whenever their best customers come to one of their shows, they can easily get scanned into the venue using their VIP card.”

“We are currently interested in RFID chips for some type of club integration,” said Matt Whitlock of San Francisco venue Ruby Skye. “I know it works great for cruise ships and festivals, but the club market is very different.” Ruby Skye also leverages Bluetooth beacons to engage attendees on-site.

Sponsors will play a big role in pushing this technology front and center. “Brand partnership at festivals will look for more meaningful ways to engage with customers through technologies like Beacons and RFID,” said Donnie Estopinal of Disco Donnie Presents.

As our industry experts noted, the evolution of RFID and other on-site technologies is only just beginning.
Trend 5

Cashless payments will be demanded by fans and embraced by organizers

In addition to embracing RFID, major festivals like Electric Daisy Carnival and Lollapalooza have adopted cashless payments in the last year. With RFID or tap-enabled mobile payments, you no longer need to rely on physical payments on-site.

The payoffs are huge: lines are shorter, and attendees are happier — while spending about 20% more than they would with cash. 6

“With RFID technology, event-goers can pay for everything from drinks to merchandise with a quick tap of their wristband, and festivals can offer real-time ‘cashless’ upgrades,” Eventbrite’s Julia Hartz said. “Imagine you’re at Bonnaroo and all of a sudden it starts pouring rain. Instantly, you get the opportunity to upgrade to a VIP tent, just with your wristband.”

RFID is far from the only way to offer cashless payments. Apple Pay and other phone apps like Venmo are gaining popularity as well.

“Allowing folks to pay for items via their cellphone, festival app, or RFID wristband is a great way to reduce the amount of cash exchanged on-site,” Tom Russell of Governors Ball said. “Early data shows that consumers are spending more when cashless technology is available... My prediction is that every major festival in the US in 2016 will offer some sort of cashless program or technology to attendees.”

This trend extends beyond music festivals. Many retail stores have begun to accept Apple Pay and other payment systems, and clubs and venues aren’t far behind. Zach Ruben of Prime Social Group says mobile payments are one of the technologies he’s looking to introduce in 2016. “Mobile drink ordering and tab payment system[s are] going to be huge too,” Dante Deiana of Cleveland’s FWD Nightclub said.

Whether it’s Apple Pay, RFID, or some new tech entirely, it’s only a matter of time before festivals and venues become cash-free zones.

6 Tour Tech: “RFID Access Control”
Both online and offline marketing will become more targeted

As competition grows, advertising has become more important than ever for live music. Unsurprisingly, our experts predicted that effective marketing will be a top priority for the industry moving forward.

“The ability to accurately target the customers who are interested in the genre of our event, and not just EDM in general, is crucial to our success,” Sabrina Spellman of Boston EDM said.

Retargeting will set a new standard for ROI.

Venues especially love retargeting, with both The Bluestone and Ruby Skye naming it as a main marketing focus for the next year. (If you’re not familiar with the term, “retargeting” is the ability to serve ads to previous customers or people who’ve checked out your venue page.)

Music festivals have loved the results they’ve seen as well. On average, events see a 6x ROI with retargeting — and some music festivals have seen more than double that. 7

If you’re not ready to invest in a retargeting platform, you can still use data to target your ads more effectively. Dan Sheehan of California Roots named demographic reports as key to his event’s success. “Being able to receive real-time reporting on data regarding who is purchasing tickets, and from where, allows us to make marketing adjustments on the fly,” Sheehan said.

Offline marketing will get smarter.

Street activations have seen a resurgence in recent years. Artists like Sia, the Weeknd, and Justin Bieber have all embraced old-school posters to advertise shows in New York. But online data will make the street marketing of the future more effective.

7 Eventbrite, “The Surprising ROI of Retargeting for Events”
“Promoters and the people who’ve been in this business recognize the power of online marketing,” Eventbrite’s Ben Kramer says. “But they’re also able to use what they get out of something like Eventbrite to hone their print advertising in the real world. Knowing where your audience is coming from and where they reside helps offline as well. You’re able to better see trends about where people are buying.”

Whether you are optimizing for search engines or starting a new ad series, it’s key to know where your patrons come from, and how they’re finding you. The future will hold new, creative ways to use this info to target your fans more effectively.

“Currently I’m leveraging geo-fencing and retargeting of current customers and similar demographics. Eventbrite’s backend analytics help me track specific digital campaigns for success or failure, and allow me to create more effective marketing.” — Jeremy Pinkston of Black Diamond Harley Davidson
Growing competition will push niche festivals to center stage

In a recent survey of 139 music festival organizers, 30% said that market saturation is a top concern. Our experts agreed.

“Each year it seems like more and more festivals appear,” Rebecca Sparks of High Sierra Music Festival said. “Some of the old guard festivals are either on hiatus or offline, which is never welcome news. We feel secure in our brand, and what we do, but we hate to see old colleagues struggling.”

Our experts predicted 2016 will be the year music festivals shake out. “2016 will see the rise and fall of many festivals... the demand will not be there for this many contenders,” Matt Whitlock of Ruby Skye said.

“In 2016 and 2017, it will be survival of the fittest for festivals,” Dan Sheehan of California Roots said. “This isn’t sustainable... some of the festivals will be no more. It’s already happening with a few on the East Coast.”

In a crowded market, differentiation is key. We anticipate that niche festivals have the opportunity to take center stage.

This shift has some festivals, like 90sFest, excited for the future. “I’m excited about the emphasis on experience over talent, and the niche festival rise,” Marc Feinstein said.

“Most people dip their toe into a mainstream experience — otherwise known as the ‘gateway festival’ — and then seek more curated, individualized experiences as their tastes mature,” Eventbrite’s Julia Hartz said. “2016 will be about sub-segments of larger trends spinning off to create unique niche experiences.”

These niche festivals have the potential to bring together different types of fans. Rather than dying out, America’s festival scene will evolve to look more like Europe’s current market. With many niche festivals catering to a variety of fan preferences and identities, there’s room for each festival to create a unique experience.

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*Trend 7*

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8 Eventbrite, “The Top Three Challenges Facing Music Festivals — And How to Overcome Them”
Live music will shift to smaller metros and broader demographics

While live music in major cities has become more competitive than ever, smaller markets are still wide open. 2016 will see “the continued growth of festivals — and not just major festivals, but regional and localized festivals,” predicts Zach Ruben of Prime Social Group. These regional metros will soon become prime real estate for live music.

So what’s responsible for this shift?

“Major metros are heavily saturated with festivals. So promoters are on the hunt for ripe new markets,” Eventbrite’s Julia Hartz said. “Midwest metropolises like Minneapolis and Milwaukee are increasingly piquing the interest of big festivals due to their large concentration of working millennials.”

Along with this shift in location is a simultaneous shift in the demographics of live music fans. A recent Eventbrite study shows that Baby Boomers actually go to more live shows each year than millennials — an average of 3.8 versus 3.6.

In the coming years, music festivals could become a family affair. Last year, more than one-quarter of attendees at BottleRock in Napa were between the ages of 45-64. By featuring lineups with equal parts modern chart-toppers and classic legends, and offering more VIP and premium experiences that appeal to different generations, festivals can expand their audience.

Some concerts have already intentionally targeted Baby Boomers. It’s been the secret to success for Southern California Mountain Foundation’s charitable concert series.

“The focus of Music in the Mountains summer concert series has been classic rock tribute bands, based upon our ticket buyer demographics,” Kathy Clapsaddle said. “They’re still in high demand.”

If you use Eventbrite and are considering locations for your next show, check out your location reporting. The data on where your current fans live is key in making the decision — and validating it with sponsors and city governments.

“The reporting has been invaluable for us to show potential sponsors, as well as the Tourism commission, where we’re drawing our audience and how far they travel,” — Debbi Grogan of Flagstaff Blues & Brews said.
Trend 9

Real-time data will redefine how the industry does business

Data has transformed many industries, and music is no exception. When we asked our industry experts about the future of their business, data was mentioned over and over again.

“Eventbrite has helped us stay ahead of the curve by the sheer amount of data that is available to us.” Matt Whitlock of Ruby Skye said. “This industry is very data driven. The more we have the better we can adapt to our customer needs and continue to be a premier nightclub in San Francisco.”

Getting data in real-time is key to adjusting on-site operations on the fly. Our clients repeatedly named mobile box office apps as vital to their business, allowing them to check real-time stats and make adjustments on the go.

“I get real time stats on my computer and phone the second a customer checks in, which enables me to work from any location,” Whitlock explained. “This is important to me as I am not always at the club on-site.”

“Entering the festival is the first thing your fan experiences,” said Valerie Harris of MCP Presents. As such, the ability to adjust operations in real time — even based on the flow of fans arriving — is vital.

Combined with RFID technology (see prediction #4), the potential uses of data are limitless.

“Because our credential shipping partner is directly integrated with Eventbrite’s API, we can provide up-to-date fulfillment info to our customers from purchase date to delivery,” said Lightning in a Bottle’s Jesse “Y2” Shannon. “This is a huge customer service win.”
Stay one step ahead.

There you have it: trends for the future of the music industry, straight from the insiders themselves.

Now that we’ve covered the forces shaping the music industry this year, it’s time to dive down into the trends that will shape your next event — and partner with someone invested in your future.

If you’re excited about the future but not sure how these trends may impact your festival or events, talk with one of Eventbrite’s music experts.

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